

CHAPTER 31

SALVAGE MOTOR VEHICLES — INSURERS — CERTIFICATE OF TITLE

S.F. 448

AN ACT relating to insurers in possession of salvage motor vehicles.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 321.45, subsection 2, paragraph a, Code 2017, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (6) An insurer obtains a salvage certificate of title for a vehicle pursuant to [section 321.52, subsection 4](#), paragraph “0a”.

Sec. 2. Section 321.52, subsection 4, Code 2017, is amended by adding the following new paragraph:

NEW PARAGRAPH. 0a. Notwithstanding any other provision of law to the contrary, an insurer may apply for and be issued a salvage certificate of title for a motor vehicle without surrendering the certificate of title or manufacturer’s or importer’s statement of origin properly assigned if ownership of the vehicle was transferred, or will transfer, to the insurer pursuant to a settlement with the previous owner of the vehicle arising from circumstances involving damage to the vehicle, and at least thirty days have expired since the effective date of such settlement. To obtain a salvage certificate of title pursuant to this paragraph “0a”, the insurer shall submit an application for a salvage certificate of title to the county treasurer of the county in which the vehicle is stored by or on behalf of the insurer. The application shall be accompanied by an affidavit from the insurer in which the insurer certifies it has made at least two written attempts to obtain a properly assigned certificate of title or manufacturer’s or importer’s statement of origin for the vehicle by contacting the previous owner of the vehicle and all lienholders of record by certified mail or a similar service that provides proof of service using a return receipt, and has been unable to obtain the title or statement of origin. The failure of a previous owner or lienholder to provide a properly assigned certificate of title or manufacturer’s or importer’s statement of origin shall be deemed to be a waiver by the previous owner or lienholder of all rights, title, claim, and interest in the vehicle. The application shall also be accompanied by the application fee required under paragraph “a”, and proof of payment of the total amount of the settlement by the insurer to the previous owner of the vehicle. Upon receiving an application that complies with this paragraph “0a”, the county treasurer shall issue a salvage certificate of title to the insurer which shall be free and clear of all liens and claims of ownership and shall bear the word “SALVAGE” stamped or printed on the face of the title in a manner prescribed by the department.

Sec. 3. Section 321.67, Code 2017, is amended to read as follows:

321.67 Certificate of title must be executed.

1. No person, except as provided in [sections 321.23 and 321.45](#), and [section 321.52, subsection 2](#), paragraph “b”, and [section 321.52, subsection 4](#), paragraph “0a”, shall sell or otherwise dispose of a registered vehicle or a vehicle subject to registration without delivering to the purchaser or transferee thereof a certificate of title with such assignment thereon as may be necessary to show title in the purchaser.

2. No person shall purchase or otherwise acquire or bring into this state a registered vehicle or a vehicle subject to registration without obtaining a certificate of title thereto except for temporary use or as provided in [sections 321.23 and 321.45](#), and [section 321.52, subsection 2](#), paragraph “b”, and [section 321.52, subsection 4](#), paragraph “0a”.

Sec. 4. Section 321.104, subsection 4, Code 2017, is amended to read as follows:

4. To sell, offer for sale, or transfer a motor vehicle, trailer, or semitrailer, except as provided in [section 321.47](#) or [321.48](#), or [section 321.52, subsection 2](#), paragraph “b”, or [section 321.52, subsection 4](#), paragraph “0a”, without obtaining a certificate of title in the name of the seller or transferor or without delivering to the purchaser or transferee a

certificate of title or a manufacturer's or importer's certificate duly assigned to the purchaser or transferee as provided in [this chapter](#).

Approved April 7, 2017